



## **FIREFIIGHTERS RETIREMENT SYSTEM**

3100 Brentwood Drive  
Baton Rouge, Louisiana 70809  
Telephone (225) 925-4060 • Fax (225) 925-4062



### **MEETING OF THE BOARD OF TRUSTEES June 15, 2017**

A meeting of the Board of Trustees was held on June 15, 2017 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Mr. Stacy Birdwell, Chairman, called the meeting to order at 8:30 a.m.

Mr. Jeselink gave the invocation and Mr. Broussard led the pledge of allegiance.

Ms. Poche called the roll. A quorum was present.

#### **MEMBERS PRESENT**

Mr. Stacy Birdwell  
Mr. Perry Jeselink  
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)  
Mayor David Amrhein  
Mr. John Broussard (designee of Treasurer Ron Henson)  
Mr. Charlie Fredieu  
Mr. Jerry Tarleton

#### **OTHERS PRESENT**

Steven Stockstill  
Layne McKinney  
Denise Poche  
Michael Becker  
Jamie Grady  
Jason Starns  
Brandi Brown  
David Barnes  
Gary Curran  
Paul Schmidt  
Annie Smith  
Joseph Chapman  
Paul Mitchell  
Elizabeth Thornton  
Maxwell Eysink  
Phil Preis  
Warren Ponder  
Tommy Meagher  
Jim Swanson

**MINUTES**

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on May 11, 2017. Mr. Tarleton seconded. The motion passed.

**APPLICANTS**

- New Members

PROCEDURE: The FRS enrollment process, including the completion of the applicant forms, the physical examination, and the completion of any waivers of preexisting conditions, must be completed and all documents received by FRS within six months of the date of employment. If the FRS enrollment process is not completed within six months from the date of employment, the applicant will be a member eligible to begin vesting for regular benefits from the date of employment, but not eligible to begin vesting for disability benefits until the completion of the enrollment process. It is the statutory responsibility of the employer to insure that the enrollment process is timely completed or to provide FRS with notice of noncompliance by the applicant. If a member who has not completed the enrollment process becomes injured in the line of duty and applies for disability benefits, then the member must prove that the disabling condition was not preexisting. Each enrollment application is reviewed by staff to determine eligible job classification, date of hire, employer certification, and medical waiver information. Each application for membership was completed and submitted in accordance with all applicable state laws.

Mr. Starns presented the list of new member applicants. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants. Mr. Adomako seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Retirees

PROCEDURE: To retire, a member must furnish the retirement office with an application for retirement. When the application is received by the retirement office, the member's file is reviewed for proper documentation and to determine that the applicant meets the legal criteria necessary to receive payment in the form of a monthly retirement benefit. Calculations for retirement are performed by the benefit analyst and verified by the system's administrator. All retirement applications were submitted and benefits calculated in accordance with all applicable state laws.

Mr. Starns presented the list of new retirees. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants. Mr. Jeselink seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Survivor Applications

PROCEDURE: Survivors applying for benefits must furnish the retirement office with a notarized application for survivor benefits, a copy of the member's death certificate, a marriage licence (if beneficiary is a spouse), and the beneficiary's birth certificate. Once received, the deceased member's records are reviewed by staff to determine survivor benefit eligibility and to determine that the survivor's benefit calculation is completed per all applicable state laws and any merger agreements.

[NOTE: Individuals who retired under another retirement system where FRS is a third party administering payments as a result of a merger, and where the individual becomes deceased after the merger, the beneficiary or survivor is still required to submit all necessary documents; however, payment is made as set forth in the merger agreement (contract) affecting beneficiaries and survivors.] (R.S. 11:2256 and R.S. 11:2259)

**Colleen Broussard Guillot-** Mr. Starns presented the application of Colleen Broussard Guillot, surviving spouse of Wayne Nicholas Guillot. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Colleen Broussard Guillot. Mr. Adomako seconded. The motion passed.

**Betty Jean Johnson-** Mr. Starns presented the application of Betty Jean Johnson, surviving former spouse of James Patrick Johnson. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Betty Jean Johnson. Mr. Jeselink seconded. The motion passed.

**Goldie Dugas Landry-** Mr. Starns presented the application of Goldie Dugas Landry, surviving spouse of William Ronald Landry, Sr. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Goldie Dugas Landry. Mr. Jeselink seconded. The motion passed.

**Krista Schysm-** Mr. Starns presented the application of Krista Schysm, surviving child of Roland Landry Sr. He stated that the application was in order.



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MOTION: Mr. Jeselink moved to approve the application of Krista Schysm. Mr. Tarleton seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Disability Applications

PROCEDURE: To obtain disability benefits, a member must furnish the retirement office with an application for disability retirement. For the following applicant(s), the application for disability retirement, current job duties, and all medical records pertaining to the injury or illness were received and reviewed by the retirement office staff. An appointment was scheduled with a State Medical Disability Board doctor specializing in the area of the claimed disability. The doctor submitted a detailed report in laymen's terms of his findings based on the examination performed and the medical records reviewed. Prior to the meeting, the board of trustees was provided with the disability application, job description, State Medical Disability Board doctor's report and all medical records related to each applicant, for their review. (R.S. 11:215, 216, 218, & 2258)

[NOTE: By giving advance notice on its duly posted agenda, the board of trustees reserved the right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of any privacy protected physical or mental health information related to the disability applicants.]

██████████ - (Job Related - Denial) Mr. Starns presented the disability application of ██████████. He advised the board that based on the report by State Medical Disability Board doctor, Dr. Amy Rabalais, the staff recommendation was for the denial of job-related disability retirement.

MOTION: Mr. Fredieu moved to accept the staff recommendation regarding ██████████. Mr. Broussard seconded. A roll call vote was taken and the motion failed by the following tally-

Birdwell	No
Jeselink	No
Adomako	No
Amrhein	No
Broussard	Yes
Fredieu	Yes
Ivey	Absent
Peacock	Absent
Roberts	Absent
Tarleton	Yes

(3-4)

[NOTE: R.S. 11:2260(A)(6) provides that "Each trustee shall be entitled to one vote on the board. An affirmative vote by at least five members of the board of trustees shall be necessary for a decision

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by the trustees at any meeting of the board. The phrase 'affirmative vote' shall mean that the vote shall be cast in favor of approving any motion." This is known as the five-vote rule. The foregoing motion did not attain five affirmative votes either in favor of or in opposition thereto. For that reason the motion failed even though the "No" votes outnumbered the "Yes" votes.]

MOTION: (Job Related - Approval) Mr. Jeselink then moved to approve the job related disability application for [REDACTED]. Mr. Adomako seconded. A roll call vote was taken and the motion failed by the following tally-

Birdwell	Yes	
Jeselink	Yes	
Adomako	No	
Amrhein	Yes	
Broussard	No	
Fredieu	No	
Ivey		Absent
Peacock		Absent
Roberts		Absent
Tarleton	No	
(3-4)		

[NOTE: Even though the "No" votes outnumbered the "Yes" votes, the motion failed due to the five-vote rule.]

MOTION: (Reconsideration) Mr. Broussard moved to request the board reconsider the prior motion of denying [REDACTED] job related disability application due to Mr. Fredieu stating he did not understand the prior motion when casting his vote. Mr. Jeselink seconded. A roll call vote was taken and the motion passed by the following tally-

Birdwell	Yes	
Jeselink	Yes	
Adomako	Yes	
Amrhein	Yes	
Broussard	No	
Fredieu	Yes	
Ivey		Absent
Peacock		Absent
Roberts		Absent
Tarleton	No	
(5-2)		

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MOTION: (Non Job Related - Approval) Mr. Broussard then restated the earlier motion to approve the non job related disability application for [REDACTED]. Mr. Tarleton seconded. A roll call vote was taken and the motion failed by the following tally-

Birdwell	Yes	
Jeselink	Yes	
Adomako	No	
Amrhein	Yes	
Broussard	No	
Fredieu	Yes	
Ivey		Absent
Peacock		Absent
Roberts		Absent
Tarleton	No	
(4-3)		

[NOTE: Even though the "Yes" votes outnumbered the "No" votes, the motion failed due to the five-vote rule.]

MOTION: Mr. Broussard moved to waive the requirement of a written appeal within 30 days. Mr. Tarleton seconded. The motion passed.

[REDACTED] - (Non Job Related - Approval) Mr. Starns presented the disability application of [REDACTED]. He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Amy Rabalais, the staff recommendation was for the approval of non-job-related disability retirement and suspending the requirement of disability recertification.

MOTION: Mr. Broussard moved to the accept the staff recommendation regarding [REDACTED]. Mr. Tarleton seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

**FRS, ET AL v CITGO GROUP LIMITED, ET AL**

*FRS, et al. v. Citgo Group Limited, et al.*, Suit No. 3:13-cv-00373-SDD-EWD, U.S. District Court, Middle District, Louisiana

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation, and where an open meeting would have a detrimental effect on litigation position of FRS in the judicial matter cited in agenda item II(1) (see litigation cited above); all pertinent notifications had been provided.]



MOTION: Mr. Tarleton moved to enter executive session to discuss the agenda item shown above. Mr. Jeselink seconded. The motion passed unanimously.

MOTION: Mr. Broussard moved to resume public session. Mr. Jeselink seconded. The motion passed unanimously.

The discussion of this matter was concluded with no action being needed or taken.

**JOSEPH N. BRYLES v. CANTOR FITZGERALD & CO., ET AL**

*Joseph N. Broyles v. Cantor Fitzgerald & Co., et al.*, Civil Action No. 3:10-854-JJB-SCR, United States District Court, Middle District of Louisiana consolidated with *Joseph N. Broyles, et al. versus. Cantor Fitzgerald & Co. et al.*, Civil Action No. 3:10-857-JJB-SCR, United States District Court, Middle District of Louisiana; and *In re Sand Spring Capital III*, Case No. 11-13393, US Bankruptcy Court, District of Delaware - A consolidation of five funds managed by Commonwealth Advisors.

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation where an open meeting would have a detrimental effect on litigation position of FRS in the matters referenced in agenda item II(2) (see litigation cited above); all pertinent notifications had been provided.]

MOTION: Mr. Jeselink moved to enter executive session to discuss the agenda item shown above. Mr. Broussard seconded. The motion passed unanimously.

MOTION: Mr. Broussard moved to resume public session. Mr. Adomako seconded. The motion passed unanimously.

The discussion of this matter was concluded with no action being needed or taken.

**COMMITTEE REPORT - BUDGET AND FINANCE COMMITTEE**

[NOTE: The Budget and Finance Committee met on June 14, 2017, at the FRS office in Baton Rouge at 2:00 p.m. to discuss the following business set forth in its posted agenda- (i) Discussion and action regarding FRS Proposed Budget for Fiscal Year 2017-2018, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mayor Amrhein, Mr. Fredieu, and Mr. Jeselink. Also present were Mr. Birdwell, Steven Stockstill, Layne McKinney, Denise Poche, Jamie Grady, Michael Becker, Maxwell Eysink and Elizabeth Thornton.]

Mr. Tarleton gave the Budget and Finance Committee report.

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- FRS Proposed Operating Budget for Fiscal Year 2017-2018

Mr. Tarleton reported that Ms. Jamie Grady, FRS Staff Accountant, presented the FRS Proposed Operating Budget for Fiscal Year 2017-2018 to the Budget and Finance Committee. (see attached Exhibit #3)

MOTION: Mr. Tarleton said the Budget and Finance Committee voted to recommend to the full board approval of the Proposed Budget for Fiscal Year 2017-2018 as submitted by Ms Grady with an adjustment to Line Item #2, in the section captioned as "Salaries Expense", to reflect a 4% merit increase for all FRS employees that were scheduled to receive a merit increase and he moved that recommendation in the form of a motion. Mr. Jeselink seconded. A roll call vote was taken and the motion passed with the following tally-

Birdwell	Yes
Jeselink	Yes
Adomako	No
Amrhein	Yes
Broussard	No
Fredieu	Yes
Peacock	Absent
Pearson	Absent
Roberts	Absent
Tarleton	Yes

(5-2)

- FRS Investment In FRS-LB, LLC's Budget

Mr. Tarleton reported that Mr. Layne McKinney, FRS CPA, presented the FRS-LB, LLC's Budget for Fiscal Year 2017-2018 to the Budget and Finance Committee. (see attached Exhibit #4)

MOTION: Mr. Tarleton said the Budget and Finance Committee voted to recommend to the full board appropriation of the amount set forth in the FRS-LB, LLC's budget for Fiscal Year 2017-2018 as submitted by Mr. McKinney and he moved that recommendation in the form of a motion. Mr. Adomako seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

That concluded the Budget and Finance Committee report.



**MONTHLY FLASH REPORT - MAY 2017**

Mr. Barnes presented the monthly flash report for May 2017. (see attached Exhibit #5) The overall fund was up/down as follows: 1.4% for the month of May as compared to the allocation index of 1.4%; 13.1% for the fiscal year to date as compared to the allocation index of 11.7%; 13.3% for the trailing 12 months as compared to the allocation index of 12.7%; and 3.6% for the trailing 3 years as compared to the allocation index of 4.9%.

The discussion of this matter was concluded with no action being needed or taken.

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on June 14, 2017, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) The FRS monthly investment performance results for May 2017, (ii) OFI Asset Management Emerging Markets Equity Team Update, including report titled "Emerging Markets Manager Summary" (iii) Thornburg Investment Management-new margin requirements for foreign exchange forward transactions, (iv) Domain Timber Advisors notice of purchase of Timbervest Fund; and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Adomako, Mr. Broussard, and Mr. Tarleton. Also present were Mr. Birdwell, Mayor Amrhein, Mr. Fredieu, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, David Barnes, Maxwell Eysink and Elizabeth Thornton.]

Mr. Jeselink gave the investment committee report. In doing so he recognized Mr. Barnes who recalled his presentation of the investment performance results to the Investment Committee for the month of May 2017. (see minute entry captioned above as "Monthly Flash Report - May 2017")

- OFI Asset Management

Mr. Barnes recalled to the board that there had been a personnel change on the OFI Emerging Market equity team as of April 24, 2017. During the previous month's meeting, the board had requested additional information regarding the feasibility of moving the current funds from the OFI investment into the existing Acadian Emerging Market Equity Fund and if there was any overlap in the fund's stock ownership. Mr. Barnes presented the board with a report titled Emerging Markets Managers Summary. (see attached Exhibit #6) He explained each item set forth therein and recalled that the Investment Committee voted to recommend to the full board that no action be taken regarding OFI's personnel change.

MOTION: Mr. Tarleton moved the Investment Committee's recommendation in the form of a motion. Mayor Amrhein seconded. A roll call vote was taken and the motion passed with the following tally-

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Birdwell	Yes	
Jeselink	Yes	
Adomako	Yes	
Amrhein	Yes	
Broussard	No	
Fredieu	No	
Peacock		Absent
Pearson		Absent
Roberts		Absent
Tarleton	Yes	

(5-2)

The discussion of this matter was concluded with no further action being needed or taken.

- Thornburg Investment Management

Mr. Barnes explained that in 2016, Thornburg Investment Management contacted FRS and NEPC with notification that the firm was responding to global regulatory recommendations by the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO), as well as to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) which have imposed rules related to margin requirements for Non-Deliverable Forward contracts (NDFs) on foreign currency. (see attached Exhibit #7) He said NDFs are contracts in which counterparties agree to settle the difference between the contract price or rate and the spot price/rate on an agreed upon notional amount at the time of the contract expirations. Mr. Barnes stated the Investment Committee voted to recommend to the full board that FRS allow continued trading of non-deliverable contracts on foreign currency by Thornburg Investment Management on its behalf in the Thornburg Global Opportunities account.

MOTION: Mr. Jeselink moved the Investment Committee's recommendation in the form of a motion. Mr. Adomako seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Domain Timber Advisors

Mr. Barnes stated that FRS received formal notice from Domain Timber Advisors, LLC that their purchase of the Timbervest fund had been completed on May 30, 2017. (see attached Exhibit #8) Mr. Barnes advised that this item was for informational purposes only.

The discussion of this matter was concluded with no action being needed or taken.

That concluded the Investment Committee report.



**DUAL EMPLOYMENT, DUAL ENROLLMENT, AND FRS POLICY**

Mr. Stockstill explained FRS' current policy on dual employment and dual enrollment. He said the issue occurs when a person is employed simultaneously by two separate employers, both of which are covered by FRS, and where each such employment exceeds 35 hours per week. Must that person be enrolled as a participating member of FRS based on each such employment? Mr. Stockstill recommended that the FRS board approve a policy prohibiting the dual enrollment of any person based on simultaneous employment by two employers that are covered by FRS. Proposed Policy No. 06152017 states that any person simultaneously employed by two separate employers, both of which are covered by FRS, and where the person works at least 35 hours at each such employment earning at least \$375 per month at each such employment, that person shall only be authorized to enroll as a member of FRS based on one of the two employments. (see attached Exhibit #9)

MOTION: Mayor Amrhein moved to adopt Policy No. 06152017. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill advised the board that with the adoption of Policy No. 06152017, the existing Policy No. 11082012(b) would need to be repealed. (see attached Exhibit #10)

MOTION: Mr. Jeselink moved to repeal Policy No. 11082012(b). Mayor Amrhein seconded. The motion passed.

Mr. Stockstill then presented the board with Policy No. 10241980 that had been originally adopted in 1980 when the system was founded. (see attached Exhibit #11) He explained the original policy called for "firefighters" to work at least 35 hours a week to be considered full time since there were only firefighters in the system at that time. He recommended the word "firefighter" be stricken and replaced with "employee."

MOTION: Mr. Tarleton moved to amend Policy No. 10241980 by replacing the word "firefighter" with "employee". Mr. Jeselink seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

**HARDSHIP DISTRIBUTION**

Mr. Stockstill presented the board with a hardship request from Mr. Steven Roberts. (see attached Exhibit #12) Mr. Roberts had stated that he was requesting his refund of contributions early due to multiple financial hardships his family was experiencing. Mr. Stockstill advised the board that the law allows an employee, who is no longer working, to receive a refund of their employee contributions in 90 days. In the event of a hardship, a refund may be received in 45 days if approved by the full board.



MOTION: Mr. Tarleton moved to approve the hardship request for Mr. Steven Roberts contingent on verification of his hardship circumstances. Mayor Amrhein seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken at this time.

**FRS LEGISLATION - 2017 REGULAR SESSION**

Mr. Stockstill explained the status of the following legislative bills pending in the 2017 regular session of the legislature and addressed questions that arose relative thereto-

HB8 Abraham RETIREMENT/FIREFIGHTERS: Provides relative to membership restrictions of the Firefighters' Retirement System (EG DECREASE ) Status-Subject to call-House final passage

HB9 Abraham RETIREMENT/FIREFIGHTERS: Provides relative to earnable compensation in the Firefighters' Retirement System (EN NO IMPACT APV); Status-**Becomes Act No. 17**

HB21 Abraham RETIREMENT/FIREFIGHTERS: Provides relative to the irrevocability of optional beneficiary designation (EN NO IMPACT APV); Status-**Becomes Act No. 21**

HB22 Abraham RETIREMENT/FIREFIGHTERS: Provides relative to retirement options in the Firefighters' Retirement System (EN DECREASE APV); Status-**Becomes Act No. 22**

HB23 Carpenter RETIREMENT/FIREFIGHTERS: Provides relative to benefit payments if an eligible member of the Firefighters' Retirement System dies prior to retirement (EG INCREASE APV); Status-Pending Senate Retirement-Considered 5/15/17

HB35 Carpenter RETIREMENT/FIREFIGHTERS: Provides relative to the offset of disability retirement benefits of members of the Firefighters' Retirement System based on receipt of workers' compensation benefits (EG NO IMPACT APV); Status-**Becomes Act No. 24**

The discussion of this matter was concluded with no action being needed or taken.

**ADJOURNMENT**

Mr. Adomako moved to adjourn the meeting. Mr. Jeselink seconded. The motion passed.

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**FUTURE MEETINGS**

**FRS Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, July 12, 2017 at 3:00 p.m.**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, July 13, 2017 at 8:30 a.m.**

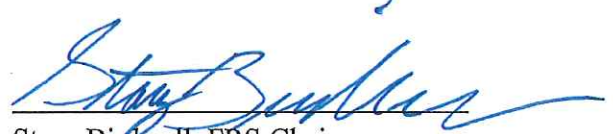
SUBMITTED BY:



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Denise Poche, FRS Board Secretary

APPROVED BY:



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Stacy Birdwell, FRS Chairman